

# Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received
STATE USE ONLY	
▶ Application No.	▶ Date Received

**Read the instructions before completing the application.** This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name		Type of NEZ <input type="checkbox"/> OPRA eligible community NEZ <input type="checkbox"/> Workforce Housing NEZ	
Facility's Street Address		Type of Approval Requested	
City	State	ZIP Code	<input type="checkbox"/> New Facility <input type="checkbox"/> Rehabilitated Facility <input type="checkbox"/> Transfer (1 copy only)
Name of City, Township or Village (taxing authority)		No. of years requested for exemption (6-15; 11-17 for qualified historic building)	
<input type="checkbox"/> City	<input type="checkbox"/> Township	<input type="checkbox"/> Village	Is the facility owned or rented by occupants? <input type="checkbox"/> Owned <input type="checkbox"/> Rented
County	Type of Property (check one) <input type="checkbox"/> House <input type="checkbox"/> Duplex <input type="checkbox"/> Condo		
School District	<input type="checkbox"/> Loft <input type="checkbox"/> Apartment - No. of Units _____		
Name of LGU that established district		Name or Number of Neighborhood Enterprise Zone	Date district was established
Identify who will complete the work <input type="checkbox"/> Licensed Contractor <input type="checkbox"/> Other _____		Estimated Project Cost (per unit)	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date	End Date		
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name			
Contact Telephone Number		Contact Email Address	
Owner/Developer/Applicant Name			
Owner/Developer/Applicant Telephone Number		Owner/Developer/Applicant Email Address	
Owner/Developer/Applicant Mailing Address		City	State    ZIP Code
<i>I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.</i>			
<i>I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.</i>			
Owner/Developer/Applicant Signature		Date	

<b>PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)</b>			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU			
Name of Assessor (First and last name)			
Telephone Number		Email Address	
<i>I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.</i>			
Assessor's Signature			Date
<b>PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)</b>			
Action taken by LGU:		The State Tax Commission requires the following documents be filed for an administratively complete application:	
<input type="checkbox"/> Exemption Approved for _____ Years (6-15)		<input type="checkbox"/> 1. Original Application	
<input type="checkbox"/> Exemption Approved for _____ Years (11-17 qualified historic building)		<input type="checkbox"/> 2. Legal description of the real property with parcel identification number	
<input type="checkbox"/> Exemption Denied (include Resolution Denying)		<input type="checkbox"/> 3. Resolution approving the zone.	
Date of resolution approving/denying this application		<input type="checkbox"/> 4. <b>REHABILITATION APPLICATIONS ONLY.</b> Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Clerk's Name (First and Last)			
Telephone Number		Email Address	
Mailing Address		City	State      ZIP Code
<i>I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.</i>			
<i>I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.</i>			
Clerk Signature			Date

**For faster service, the LGU should email the completed application and required documents to [PTE@michigan.gov](mailto:PTE@michigan.gov).**

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission  
P.O. Box 30471  
Lansing, MI 48909

**Note:** Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

## **Instructions for Completing Form 4775 Application for Neighborhood Enterprise Zone (NEZ) Certificate**

The Neighborhood Enterprise Zone (NEZ) Exemption Certificate was created by Public Act 147 of 1992, as amended. To qualify for this certificate, the subject property must be located within an established NEZ. Applications for a certificate of exemption are filed, reviewed, and approved by the local governmental unit (LGU), but also are subject to review and either approval or denial by the State Tax Commission.

### **Owner/Developer/Applicant Instructions**

1. Complete Parts 1 and 2. Indicate the number of years the exemption is being requested (6-15 years except for qualified historic buildings, which can be 11-17 years). Consult with the LGU for information necessary to complete this section.
2. **This application must be filed with the LGU clerk prior to the building permit issuance and the start of construction, except an application may be filed up to six months after issuance of the building permit if approved by resolution of the LGU and at any time in the case of a qualified historic building.** File one copy of the completed application and the following documents:
  - Legal description of the real property on which the facility is located.
  - Parcel Identification Number
  - Describe the general nature and extent of the new construction or rehabilitation to be undertaken and the breakdown (for rehabilitation only) of the investment cost.
  - Timetable for undertaking and completing the new construction or rehabilitation of the facility.

**NOTE TO NEW OWNERS:** A list of additional required documentation to complete the application/certificate issuance process is on page 2 of the instructions. This documentation is sent directly to the State of Michigan, only after the original application is filed with the LGU clerk and approved by the LGU.

3. Any questions concerning the completion of this application should be directed to the LGU clerk. Additional information on the NEZ program can be found at [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions).

### **LGU Assessor Certification**

1. Complete Part 3.

### **LGU Action/Certification**

1. Complete Part 4.
2. The LGU clerk should review the application for complete and accurate information, to determine that the subject property is located within a qualified NEZ and certify the application meets the requirements as outlined by Public Act 147 of 1992, as amended.
3. Once approved, attach a certified copy of the resolution approving the application. This resolution must include the number of years the LGU is granting the exemption.
4. **For faster service, email the completed application and required documents to [PTE@michigan.gov](mailto:PTE@michigan.gov).**

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission  
P.O. Box 30471  
Lansing, MI 48909

### **Application Deadline**

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

If you have questions, or need additional information or sample documents, visit our Web site at [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions) or call 517- 335-7491.

## **Additional Documents Required by the State to Issue an NEZ Certificate**

Some documents may be obtained from the builder/developer.

### **Additional documents required following completion for a New Facility project:**

- A signed application completed by the new Owner/Developer/Applicant. Most of the information needed can be taken from the original application filed by the Owner/Developer/Applicant.
- A copy of the legal description of the real property with parcel identification number of the property for each house/condo being built.
- A copy of the building permit. Make sure the copy of the permit (building/trade permit) sent to the State is clear and legible.
- A copy of the new owners Warranty Deed showing ownership with the date deed was executed and signatures.
- A copy of the Certificate of Occupancy and Compliance.
- A copy of your Principal Residence Exemption (PRE) Affidavit (Form 2368), filed with the LGU assessor that contains a LGU date stamp (black out Social Security numbers) except for new facilities as defined under MCL 207.772(g)(ii).

### **Additional documents required for a Rehabilitated facility:**

- Documentation proving the cost requirements of Michigan Compiled Law (MCL) 207.772(m) are met. A breakdown of investment cost for each house, condo or unit being rehabilitated and the square footage for each.
- A copy of the legal description of the real property with parcel identification number of the property for each house/condo being built or rehabilitated.
- A clear and legible copy of the building/trade permit. For a rehabilitated facility you may not have a building permit but you will have trade permits. Send copies of the trade permits.
- A copy of the new owner's Warranty Deed showing ownership with date the deed was executed and signatures.
- A certificate of occupancy and compliance or certification by the local building official that the building meets minimum building codes for the local unit. Applicant must obtain from the building official.
- A copy of the statement by the assessor showing taxable value of the rehabilitated facility, not including the land, for the tax year immediately preceding the effective date of the NEZ certificate.
- If applicable, indicate if the certificate holder elects that the effective date of the NEZ certificate shall be the December 31 in the year immediately preceding the date of substantial completion of the rehabilitated facility.

### **Transfer of an existing certificate**

Existing NEZ certificates may be transferred to a new owner by the new owner filing an application (only name, address, Part 2 information and signature are required) and a copy of the warranty deed for the subject property with the State Tax Commission. For a New Facility, except those as defined under MCL 207.772(g)(ii), provide a copy of your PRE Affidavit (Form 2368) that was filed with the LGU assessor (black out Social Security numbers) that contains a LGU date stamp.

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### **Tax Advantage of an NEZ Exemption**

The NEZ tax for a **“Rehabilitated Facility”** is determined by multiplying the total mills levied as ad valorem taxes by the taxable value, not including land, for the tax year immediately preceding the effective date of the certificate, unless the effective date is adjusted by MCL 207.780(3). If the effective date is adjusted or the certificate is approved after 12/31/2005, the taxable value remains “frozen” until the last three years of the certificate and is then adjusted as described below.

The NEZ tax for a **“New Facility”** is determined by multiplying one-half the Principal Residence Exemption state average tax rate mills levied in this state in the immediately preceding calendar year by the taxable value of the “New Facility,” not including land, until the certificate expires, unless the effective date is adjusted by MCL 207.780(2). If the effective date is adjusted or the certificate is approved after 12/31/2005, the exemption is adjusted as described below. The Principal Residence Exemption state average tax rate is set by the Michigan Department of Treasury, Assessment and Certification Division, on an annual basis.

**NOTE:** For a part of a new or rehabilitated facility in a Workforce Housing NEZ that in the prior year was occupied by an individual, couple, family, or group of unrelated individuals with a combined adjusted household income in excess of 120% of the countywide area median income as posted by the Michigan state housing development authority on its website, the specific tax paid in lieu of taxes for the year on that part of the facility must be equal to the full amount of the taxes that would be paid on that portion of the facility if the facility were not tax exempt.

**In the last three years of the exemption,** the exemption applies to only the number of mills levied for the county and LGU operating purposes (does not include debt millage); multiplied by the current taxable value. Any county or LGU debt millage and all other millages levied by all other taxing authorities would be levied at the full millage. Land is not included in this exemption.

In the tax year two years before the certificate expires, the percentage of county and LGU operating mills paid changes to **five-eighths** (does not include debt millage); multiplied by the current taxable value.

In the tax year one year before the certificate expires, the percentage of county and LGU operating mills paid changes from five-eighths to **three-fourths** (does not include debt millage); multiplied by the current taxable value.

In the year that the certificate expires, the percentage county and LGU operating mills paid changes from three-fourths to **seven-eighths** (does not include debt millage); multiplied by the current taxable value.

The LGU may grant an exemption for 6 to 15 years, or 11 to 17 years for a qualified historic building.